

SERFF Tracking Number: ARKS-125578553 State: Arkansas  
Filing Company: 00006 - INSURANCE SERVICES OFFICE, INC. State Tracking Number: #104777 \$200  
Company Tracking Number: MP 2008-OTOAL  
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0006 Directors & Officers Liability  
Product Name: Management Protection  
Project Name/Number: /

## Filing at a Glance

Company: 00006 - INSURANCE SERVICES OFFICE, INC.

Product Name: Management Protection	SERFF Tr Num: ARKS-125578553	State: Arkansas
TOI: 17.0 Other Liability - Claims Made/Occurrence	SERFF Status: Closed	State Tr Num: #104777 \$200
Sub-TOI: 17.0006 Directors & Officers Liability	Co Tr Num: MP 2008-OTOAL	State Status: Fees verified and received
Filing Type: Form	Co Status:	Reviewer(s): Betty Montesi, Edith Roberts, Brittany Yielding
	Author:	Disposition Date: 03/27/2008
	Date Submitted: 03/25/2008	Disposition Status: Approved
Effective Date Requested (New): 08/01/2008		Effective Date (New):
Effective Date Requested (Renewal): 08/01/2008		Effective Date (Renewal):
State Filing Description:		

## General Information

Project Name:	Status of Filing in Domicile: Pending
Project Number:	Domicile Status Comments:
Reference Organization: Not Applicable	Reference Number:
Reference Title: Not Applicable	Advisory Org. Circular:
Filing Status Changed: 03/27/2008	
State Status Changed: 03/27/2008	Deemer Date:
Corresponding Filing Tracking Number:	
Filing Description:	

## Company and Contact

### Filing Contact Information

NA NA,	NA@NA.com
NA	(123) 555-4567 [Phone]

SERFF Tracking Number: ARKS-125578553 State: Arkansas  
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Product Name: Management Protection  
Project Name/Number: /

NA, AR 00000

**Filing Company Information**

00006 - INSURANCE SERVICES OFFICE, INC.	CoCode: 6	State of Domicile: Arkansas
No Address	Group Code:	Company Type:
City, AR 99999	Group Name:	State ID Number:
(999) 999-9999 ext. [Phone]	FEIN Number: 99-9999999	
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*SERFF Tracking Number:*      *ARKS-125578553*      *State:*      *Arkansas*  
*Filing Company:*      *00006 - INSURANCE SERVICES OFFICE, INC. State Tracking Number:*      *#104777 \$200*  
*Company Tracking Number:*      *MP 2008-OTOAL*  
*TOI:*      *17.0 Other Liability - Claims Made/Occurrence*      *Sub-TOI:*      *17.0006 Directors & Officers Liability*  
*Product Name:*      *Management Protection*  
*Project Name/Number:*      */*

## **Filing Fees**

*Fee Required?*      *No*  
*Retaliatory?*      *No*  
*Fee Explanation:*  
*Per Company:*      *No*

SERFF Tracking Number: ARKS-125578553 State: Arkansas  
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Product Name: Management Protection  
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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Edith Roberts	03/27/2008	03/27/2008

*SERFF Tracking Number:*      *ARKS-125578553*                      *State:*                      *Arkansas*  
*Filing Company:*              *00006 - INSURANCE SERVICES OFFICE, INC.* *State Tracking Number:*      *#104777 \$200*  
*Company Tracking Number:*      *MP 2008-OTOAL*  
*TOI:*                      *17.0 Other Liability - Claims Made/Occurrence*      *Sub-TOI:*                      *17.0006 Directors & Officers Liability*  
*Product Name:*              *Management Protection*  
*Project Name/Number:*      */*

## **Disposition**

Disposition Date: 03/27/2008

Effective Date (New):

Effective Date (Renewal):

Status: Approved

Comment:

Rate data does NOT apply to filing.

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	ARKS-125578553		Yes

*SERFF Tracking Number:*      *ARKS-125578553*      *State:*      *Arkansas*  
*Filing Company:*      *00006 - INSURANCE SERVICES OFFICE, INC.* *State Tracking Number:*      *#104777 \$200*  
*Company Tracking Number:*      *MP 2008-OTOAL*  
*TOI:*      *17.0 Other Liability - Claims Made/Occurrence*      *Sub-TOI:*      *17.0006 Directors & Officers Liability*  
*Product Name:*      *Management Protection*  
*Project Name/Number:*      */*

## **Rate Information**

Rate data does NOT apply to filing.

SERFF Tracking Number: ARKS-125578553 State: Arkansas  
Filing Company: 00006 - INSURANCE SERVICES OFFICE, INC. State Tracking Number: #104777 \$200  
Company Tracking Number: MP 2008-OTOAL  
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0006 Directors & Officers Liability  
Product Name: Management Protection  
Project Name/Number: /

## Supporting Document Schedules

### Review Status:

**Satisfied -Name:** ARKS-125578553

03/28/2008

**Comments:**

**Attachment:**

ARKS-125578553.pdf



CHK#104777

\$ 200

ARKS-125578553 ER



2828 E. TRINITY MILLS ROAD SUITE 150 CARROLLTON, TX 75006  
TEL: (214) 390-1825 FAX: (214) 390-1975

Kenneth J. Hill, CPCU  
Regional Director, Government Relations

Approved until withdrawn  
or revoked

March 18, 2008

Mar 25 2008

Arkansas Insurance Department  
By: ER

Honorable Julie Benafield Bowman  
Commissioner of Insurance  
Arkansas Insurance Department  
1200 West Third Street  
Little Rock, Arkansas 72201-1904

RECEIVED

MAR 25 2008

PROPERTY AND CASUALTY DIVISION  
ARKANSAS INSURANCE DEPARTMENT

Attention: William R. Lacy, Director  
Property and Casualty Division.

RE: Insurance Services Office, Inc.  
MP 2008-OTOAL  
Management Protection  
Other Acts of Terrorism Endorsements Revised  
State of Arkansas

Dear Mr. Lacy:

On behalf of those participating insurers that have authorized Insurance Services Office, Inc. to do so, we hereby file the captioned filing.

It is proposed that this revision will become effective in accordance with the following rule of application:

These changes are applicable to all policies written on or after August 1, 2008.

Companion rules filing MP 2008-RTOAL is also submitted today under separate cover.

Please return an acknowledged copy of this cover letter for our records. An addressed, stamped envelope is enclosed for your convenience. We have also included an additional copy of this letter and envelope; we request that you return it now with a "received" stamp to confirm that you have received the filing.

Very truly yours,

Donald J. Beckel

Donald J. Beckel, CPCU, ARM  
Assistant Regional Manager  
Government Relations

Please return to ER  
after scanning. Thanks

DJB:dlb  
Encl.

## Property &amp; Casualty Transmittal Document

<b>1. Reserved for Insurance Dept. Use Only</b>	<b>2. Insurance Department Use only</b>	
	a. Date the filing is received:	
	b. Analyst:	
	c. Disposition:	
	d. Date of disposition of the filing:	
	e. Effective date of filing:	
	New Business	
	Renewal Business	
	f. State Filing #:	
g. SERFF Filing #:		
h. Subject Codes		

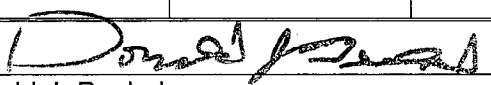
<b>3. Group Name</b>					<b>Group NAIC #</b>
<b>4. Company Name(s)</b>	<b>Domicile</b>	<b>NAIC #</b>	<b>FEIN #</b>	<b>State #</b>	
Insurance Services Office, Inc.	DE		13-3131412		

**RECEIVED**

MAR 25 2008

<b>5. Company Tracking Number</b>	MP-2008-OTOAL	<b>PROPERTY AND CASUALTY DIVISION ARKANSAS INSURANCE DEPARTMENT</b>
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## Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

<b>6. Name and address</b>	<b>Title</b>	<b>Telephone #s</b>	<b>FAX #</b>	<b>e-mail</b>
Donald J. Beckel Insurance Services Office, Inc. 2828 E. Trinity Mills Rd., Ste. 150 Carrollton, TX 75006	Asst. Regional Manager	(214) 390-1825 Ext. 224	(214) 390-1975	DHECKEL@iso.com
<b>7. Signature of authorized filer</b>				
<b>8. Please print name of authorized filer</b>		Donald J. Beckel		

## Filing information (see General Instructions for descriptions of these fields)

<b>9. Type of Insurance (TOI)</b>	17.0000
<b>10. Sub-Type of Insurance (Sub-TOI)</b>	17.0006
<b>11. State Specific Product code(s)(if applicable)[See State Specific Requirements]</b>	
<b>12. Company Program Title (Marketing title)</b>	Management Protection
<b>13. Filing Type</b>	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input checked="" type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
<b>14. Effective Date(s) Requested</b>	New: 8/1/2008   Renewal: 8/1/2008
<b>15. Reference Filing?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>16. Reference Organization (if applicable)</b>	Not Applicable
<b>17. Reference Organization # &amp; Title</b>	Not Applicable
<b>18. Company's Date of Filing</b>	3/18/08
<b>19. Status of filing in domicile</b>	<input type="checkbox"/> Not Filed <input checked="" type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

**Property & Casualty Transmittal Document---**

<b>20.</b>	<b>This filing transmittal is part of Company Tracking #</b>	MP-2008-OTOAL
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<b>21.</b>	<b>Filing Description</b> [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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This filing revises certain terrorism endorsements in response to enactment of the Terrorism Risk Insurance Program Reauthorization Act of 2007.

<b>22.</b>	<b>Filing Fees</b> (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
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Check #:

104777

Amount:

\$200.00

**Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.**

\*\*\*Refer to each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

**FORM FILING SCHEDULE**

(This form must be provided ONLY when making a filing that includes forms)

(Do not refer to the body of the filing for the forms listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #		MP-2008-OTOAL		
2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)		MP-2008-RTOAL		
3.	<b>Form Name /Description/Synopsis</b>	<b>Form # Include edition date</b>	<b>Replacement Or withdrawn?</b>	<b>If replacement, give form # it replaces</b>	<b>Previous state filing number, if required by state</b>
01	Exclusion Of Certified Acts Of Terrorism And Exclusion Of Other Acts Of Terrorism Committed Outside the United States	MP 21 15 06 08	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	MP 21 15 01 06	
02	Exclusion Of Other Acts Of Terrorism Committed Outside The United States; Cap On Losses From Certified Acts Of Terrorism	MP 21 16 06 08	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	MP 21 16 01 06	
03			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

# Management Protection Other Acts Of Terrorism Endorsements Revised

## About This Filing

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This filing revises certain terrorism endorsements in response to enactment of the Terrorism Risk Insurance Program Reauthorization Act of 2007.

## Revised Forms

We are revising the following endorsements:

- ♦ **MP 21 15 01 06** Exclusion Of Certified Acts Of Terrorism And Exclusion Of Other Acts Of Terrorism Committed Outside The United States [**revised title conforms to the new edition MP 21 15 06 08**]
- ♦ **MP 21 16 01 06** Exclusion Of Other Acts Of Terrorism Committed Outside The United States; Cap On Losses From Certified Acts Of Terrorism [**revised title conforms to the new edition MP 21 16 06 08**]

We have used a format of ~~striking through~~ deletions, underlining additions and inserting a revision bar in the left margin to indicate changes from the current editions to the 06 08 editions. Concurrent with implementation, the 06 08 editions will supersede the prior editions.

## Related Filing(s)

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- ♦ Rules Filing MP-2008-RTOAL

## Background

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The Terrorism Risk Insurance Act (TRIA) of 2002 established a program (Terrorism Risk Insurance Program) within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. Pursuant to Section 103(c) of the Act, all insurers providing insurance for applicable lines of business are required to participate in the program by making available coverage for insured losses resulting from an act of terrorism as defined by the Act (so-called certified acts coverage). The Terrorism Risk Insurance Program was extended for two years, until December 31, 2007, by the Terrorism Risk Insurance Extension Act of 2005, which incorporated various changes with respect to federal share of losses

and affected lines of business. We responded in the past to each of these enactments, with filings of disclosure forms and various endorsements addressing the terrorism risk.

## Current Environment

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The federal Terrorism Risk Insurance Program has been revised and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2007, which incorporates various changes to the Program. Certain changes, summarized as follows, have an impact on ISO terrorism forms:

- ◆ Under Section 102(1)(A)(iv) of the Act, the definition of an act of terrorism (with respect to certification of such act) is revised by eliminating the criterion that the act be committed on behalf of a foreign person or foreign interest. As revised, the definition, in part, requires the act to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- ◆ Section 103(b)(3) of the Act requires disclosure of the existence of the \$100 billion cap on payments by insurers.
- ◆ Section 103(e)(2)(A) of the Act eliminates the provision asserting that Congress may take action to increase the \$100 billion cap in the event that insured losses exceed such cap; and Section 103(e)(2)(B) requires the Secretary of the Treasury to issue regulations for determining the pro rata share of insured losses to be paid under the Program (up to \$100 billion) when insured losses exceed \$100 billion.

With the revision to the definition of an act of terrorism (with respect to certification of such act), there is no longer a requirement that the act of terrorism be committed on behalf of a foreign person or foreign interest. However, in order for an act of terrorism to be certified under the Program, the act must be committed within the jurisdictional boundaries of the Program. Acts of terrorism that are committed outside the jurisdictional boundaries of the Program would not be eligible for certification under the Program and thus would not be subject to federal participation in losses. Prior to the enactment of the Reauthorization Act of 2007, the ISO "other acts of terrorism" endorsements were available to address acts of terrorism that were not certified acts of terrorism, including those acts committed outside the United States.

## **Explanation of Changes**

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Since the ISO Management Protection program provides coverage for certain worldwide exposures, we are revising certain terrorism endorsements to provide underwriters with a tool to exclude acts of terrorism committed outside the jurisdictional boundaries of the federal program for risks which have international exposures. Such acts do not meet the criteria of a certified act of terrorism under the federal Program and thus would not be subject to federal participation in losses. We are making the following changes to certain "other acts of terrorism" exclusions to limit the scope of what is considered an "other act of terrorism" and to reflect the changes to the Program discussed in the Current Environment section of this filing.

### **Exclusion Of Certified Acts Of Terrorism And Other Acts Of Terrorism Endorsement MP 21 15**

This endorsement is revised to:

- ◆ Revise the title to read "Exclusion Of Certified Acts Of Terrorism And Exclusion Of Other Acts Of Terrorism Committed Outside The United States", to reflect the revised scope of the exclusion pertaining to other acts of terrorism.
- ◆ Revise the scope of the exclusion pertaining to other acts of terrorism to only apply to other acts of terrorism that are committed outside the United States (including its territories and possessions and Puerto Rico).
- ◆ Delete the language that refers to the amendment, replacement or extension of TRIA.
- ◆ Revise the definition of certified act of terrorism by deleting the text "acting on behalf of any foreign person or foreign interest", in line with the revision to Section 102(1)(A)(iv) of the Act. This definition is also revised to reflect the jurisdictional boundaries of the federal program.
- ◆ Indicate that the \$25 million reference in Paragraph A.1. of the endorsement will be valued in US dollars.

### **Limited Terrorism Exclusion (Other Than Certified Acts Of Terrorism); Cap On Losses From Certified Acts Of Terrorism Endorsement MP 21 16**

This endorsement is revised to:

- ◆ Revise the title to read "Exclusion Of Other Acts Of Terrorism Committed Outside The United States; Cap On Losses From Certified Acts Of Terrorism", to reflect the revised scope of the other acts of terrorism exclusion.

- ◆ Revise the scope of the exclusion of other acts of terrorism to only apply to other acts of terrorism that are committed outside the United States (including its territories and possessions and Puerto Rico).
- ◆ Delete the language that refers to the amendment, replacement or extension of TRIA.
- ◆ Revise the definition of certified act of terrorism by deleting the text "acting on behalf of any foreign person or foreign interest", in line with the revision to Section 102(1)(A)(iv) of the Act. This definition is also revised to reflect the jurisdictional boundaries of the federal program.
- ◆ Revise the language expressing the existence and effect of the cap. As revised, the language explicitly refers to the amount of the cap and addresses allocation of insured losses, pursuant to Sections 103(e)(2)(A) and 103(e)(2)(B) of the Act.
- ◆ Indicate that the \$25 million reference in Paragraph A.1. of the endorsement will be valued in US dollars.

## Impact

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When MP 21 15 is attached to a policy, the exclusion of terrorism provided for in the endorsement applies to certified acts of terrorism and to acts of terrorism committed outside of the jurisdictional boundaries of the federal program.

When MP 21 16 is attached to a policy, the exclusion of terrorism provided for in the endorsement only applies to acts of terrorism committed outside of the jurisdictional boundaries of the federal program.

There is the possibility of a residual exposure for acts of terrorism committed within the jurisdictional boundaries of the Program that are not considered certified acts of terrorism. An insurer will have to consider its view on that exposure, and such factors as its individual underwriting philosophy and the profile of its book of business, to determine its business needs as they relate to this exposure.

## Copyright Explanation

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## Important Note

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Insurance Services Office, Inc. (ISO) makes available advisory services to property/casualty insurers. ISO has no adherence requirements. ISO policy forms and explanatory materials are intended solely for the information and use of ISO's participating insurers and their representatives, and insurance regulators. Neither ISO's general explanations of policy intent nor opinions expressed by ISO's staff necessarily reflect every insurer's view or control any insurer's determination of coverage for a specific claim. ISO does not intercede in coverage disputes arising from insurance policies. If there is any conflict between a form and any other part of the attached material, the provisions of the form apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION OF CERTIFIED ACTS OF TERRORISM AND EXCLUSION OF OTHER ACTS OF TERRORISM COMMITTED OUTSIDE THE UNITED STATES

This endorsement modifies insurance provided under the following:

EXECUTIVE LIABILITY COVERAGE PART  
FIDUCIARY LIABILITY COVERAGE PART  
FINANCIAL INSTITUTIONS EXECUTIVE LIABILITY COVERAGE PART  
NOT-FOR-PROFIT MANAGEMENT LIABILITY COVERAGE PART

**A. The following exclusion is added to the Exclusions Section:**

We will not pay for any "loss" resulting from any "claim" based upon, attributable to, or arising directly or indirectly, out of a "certified act of terrorism" or out of an "other act of terrorism" that is committed outside of the United States (including its territories and possessions and Puerto Rico). However, with respect to an "other act of terrorism", this exclusion applies only when one or more of the following are attributed to such act:

1. The total of insured damage to all types of property exceeds \$25,000,000 (valued in US dollars). In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the terrorism and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
2. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
  - a. Physical injury that involves a substantial risk of death; or
  - b. Protracted and obvious physical disfigurement; or
  - c. Protracted loss of or impairment of the function of a bodily member or organ; or
3. The terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or

4. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
5. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

With respect to this exclusion, Paragraphs 1. and 2. describe the thresholds used to measure the magnitude of an incident of an "other act of terrorism" and the circumstances in which the threshold will apply for the purpose of determining whether this exclusion will apply to that incident.

**B. The following definitions are added to the Definitions Section:**

1. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act ~~and any amendment, extension or replacement thereof~~. The criteria contained in the federal Terrorism Risk Insurance Act sets forth the following criteria for a "certified act of terrorism" include the following:

- a. The act resulted in ~~aggregate insured~~ losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

b. The act resulted in damage:

- (1) Within the United States (including its territories and possessions and Puerto Rico); or

- (2) Outside of the United States in the case of:

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(a) An air carrier (as defined in Section 40102 of title 49, United States Code) or United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or

(b) The premises of any United States mission; and

**bc.** The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals ~~acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.~~

~~If the Act (as amended, extended or replaced) is in effect beyond 2007, the criteria for a "certified act of terrorism" may differ from any of those specified above.~~

2. "Other act of terrorism" means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not a "certified act of terrorism", ~~as a terrorist act pursuant to the federal Terrorism Risk Insurance Act.~~

Multiple incidents of an "other act of terrorism" which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.

C. In the event of any incident of a "certified act of terrorism" or an "other act of terrorism" that is not subject to this exclusion, coverage does not apply to any "loss" resulting from any "claim" that is otherwise excluded under this Coverage Part.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**LIMITED EXCLUSION OF OTHER ACTS OF TERRORISM  
COMMITTED OUTSIDE THE UNITED STATES EXCLUSION  
(OTHER THAN CERTIFIED ACTS OF TERRORISM); CAP  
ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

EXECUTIVE LIABILITY COVERAGE PART  
FIDUCIARY LIABILITY COVERAGE PART  
FINANCIAL INSTITUTIONS EXECUTIVE LIABILITY COVERAGE PART  
NOT-FOR-PROFIT MANAGEMENT LIABILITY COVERAGE PART

**A. The following exclusion is added to the Exclusions Section:**

We will not pay for any "loss" resulting from any "claim" based upon, attributable to, or arising directly or indirectly, out of an "other act of terrorism" that is committed outside of the United States (including its territories and possessions and Puerto Rico). However, this exclusion applies only when one or more of the following are attributed to such act:

1. The total of insured damage to all types of property exceeds \$25,000,000 (valued in US dollars). In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the terrorism and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
2. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
  - a. Physical injury that involves a substantial risk of death; or
  - b. Protracted and obvious physical disfigurement; or
  - c. Protracted loss of or impairment of the function of a bodily member or organ; or
3. The terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or

4. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
5. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

With respect to this exclusion, Paragraphs 1. and 2. describe the thresholds used to measure the magnitude of an incident of an "other act of terrorism" and the circumstances in which the threshold will apply for the purpose of determining whether this exclusion will apply to that incident.

**B. The following definitions are added to the Definitions Section:**

1. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act ~~and any amendment, extension or replacement thereof~~. The criteria contained in the federal Terrorism Risk Insurance Act sets forth the following criteria for a "certified act of terrorism" include the following:
  - a. The act resulted in aggregate insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
  - b. The act resulted in damage:
    - (1) Within the United States (including its territories and possessions and Puerto Rico); or

(2) Outside of the United States in the case of:

(a) An air carrier (as defined in Section 40102 of title 49, United States Code) or United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or

(b) The premises of any United States mission; and

~~bc.~~ The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

~~If the Act (as amended, extended or replaced) is in effect beyond 2007, the criteria for a "certified act of terrorism" may differ from any of those specified above.~~

2. "Other act of terrorism" means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not a "certified act of terrorism", as a terrorist act pursuant to the federal Terrorism Risk Insurance Act. However, "other act of terrorism" does not include an act which meets the criteria set forth in Paragraph b. of the definition of "certified act of terrorism" when such act resulted in aggregate losses of \$5 million or less. Multiple incidents of an "other act of terrorism" which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.

C. In the event of an "other act of terrorism" that is not subject to this exclusion, coverage does not apply to any "loss" resulting from any "claim" that is otherwise excluded under this Coverage Part.

D. If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury. With respect to any one or more "certified acts of terrorism", we will not pay any amounts for which we are not responsible under the terms of the federal Terrorism Risk Insurance Act (including subsequent acts of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses.

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